

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

HRI HOLDING CORP., *et al.*<sup>1</sup>

Debtors.

Chapter 11

Case No. 19-12415 (MFW)

(Jointly Administered)

Ref. No. 42

**CERTIFICATION OF COUNSEL**

I, Matthew R. Pierce, proposed counsel to the above-captioned debtors and debtors in possession (the “Debtors”) hereby certify as follows to the best of my knowledge, information and belief:

1. On November 14, 2019 (the “Petition Date”), the Debtors filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* in the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. On the Petition Date, the Debtors filed the *Debtors’ Application for Entry of an Order (I) Authorizing the Retention and Employment of Piper Jaffray & Co. as the Debtors’ Investment Banker and Exclusive Agent for the Proposed Transaction, Effective as of the Petition Date, and (II) Waiving Certain Information Requirements Pursuant to Local Rule 2016-2 [D.I. 42] (the “Piper Jaffray Retention Application”).*

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: HRI Holding Corp. (4677), Houlihan’s Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Sam Wilson’s/Kansas, Inc. (5739), Darryl’s of St. Louis County, Inc. (7177), Darryl’s of Overland Park, Inc. (3015), Houlihan’s of Ohio, Inc. (6410), HRI O’Fallon, Inc. (4539), Algonquin Houlihan’s Restaurant, L.L.C. (0449), Geneva Houlihan’s Restaurant, L.L.C. (3156), Hanley Station Houlihan’s Restaurant, LLC (4948), Houlihan’s Texas Holdings, Inc. (5485), Houlihan’s Restaurants of Texas, Inc. (4948), JGIL Mill OP LLC (0741), JGIL Millburn, LLC (6071), JGIL Milburn Op LLC (N/A), JGIL, LLC (5485), JGIL Holding Corp. (N/A), JGIL Omaha, LLC (5485), HOP NJ NY, LLC (1106), HOP Farmingdale LLC (7273), HOP Cherry Hill LLC (5012), HOP Paramus LLC (5154), HOP Lawrenceville LLC (5239), HOP Brick LLC (4416), HOP Secaucus LLC (5946), HOP Heights LLC (6017), HOP Bayonne LLC (7185), HOP Fairfield LLC (8068), HOP Ramsey LLC (8657), HOP Bridgewater LLC (1005), HOP Parsippany LLC (1520), HOP Westbury LLC (2352), HOP Weehawken LLC (2571), HOP New Brunswick LLC (2637), HOP Holmdel LLC (2638), HOP Woodbridge LLC (8965), and Houlihan’s of Chesterfield, Inc. (5073). The Debtors’ corporate headquarters and the mailing address is 8700 State Line Road, Suite 100, Leawood, Kansas 66206.



3. As of the date hereof, no formal objections or other responses to the Piper Jaffray Retention Application have been filed or served on the Debtors. However, the Debtors received informal comments on the proposed form of order from the Office of the United States Trustee (the “UST”).

4. To resolve the informal comments of the UST, the Debtors have revised the proposed form of order (the “Revised Order”), a copy of which is attached hereto as **Exhibit A**. A copy of the Revised Order compared against the proposed order attached to the Piper Jaffray Retention Application is attached hereto as **Exhibit B**. The UST has no objection to the entry of the Revised Order. In accordance with the Court’s electronic order processing procedures, a clean copy of the Revised Order shall be uploaded to CM/ECF.

5. Accordingly, the Debtors respectfully request that the Court enter the Revised Order at its earliest convenience.

Dated: December 4, 2019  
Wilmington, Delaware

**LANDIS RATH & COBB LLP**



Adam G. Landis (No. 3407)  
Kimberly A. Brown (No. 5138)  
Matthew R. Pierce (No. 5946)  
Nicolas E. Jenner (No. 6554)  
919 Market Street, Suite 1800  
Wilmington, Delaware 19801  
Telephone: (302) 467-4400  
Facsimile: (302) 467-4450  
Email: landis@lrclaw.com  
brown@lrclaw.com  
pierce@lrclaw.com  
jenner@lrclaw.com

*Proposed Counsel for the Debtors  
and Debtors-In-Possession*

# **EXHIBIT A**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re:

HRI HOLDING CORP., *et al.*<sup>1</sup>

Debtors.

Chapter 11

Case No. 19-12415 (MFW)

(Jointly Administered)

Ref. No. 42

**ORDER (I) AUTHORIZING THE RETENTION AND EMPLOYMENT OF  
PIPER JAFFRAY & CO. AS THE DEBTORS' INVESTMENT BANKER AND  
EXCLUSIVE AGENT FOR THE PROPOSED TRANSACTION, EFFECTIVE  
AS OF THE PETITION DATE, AND (II) WAIVING CERTAIN  
INFORMATION REQUIREMENTS PURSUANT TO LOCAL RULE 2016-2**

Upon consideration of the application (the "Application")<sup>2</sup> of the debtors in the above-captioned affiliated debtors (collectively, the "Debtors") for the entry of an order (this "Order"), pursuant to Bankruptcy Code sections 327(a) and 328(a), Bankruptcy Rule 2014, and Local Rules 2014-1 and 2016-2, (i) authorizing the retention and employment of Piper Jaffray & Co. ("PJC") as the Debtors' investment banker and exclusive agent for the proposed Transaction, effective as of the Petition Date, and (ii) waiving certain information requirements pursuant to Local Rule 2016-2; and upon consideration of the Application and all pleadings related thereto,

---

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: HRI Holding Corp. (4677), Houlihan's Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Sam Wilson's/Kansas, Inc. (5739), Darryl's of St. Louis County, Inc. (7177), Darryl's of Overland Park, Inc. (3015), Houlihan's of Ohio, Inc. (6410), HRI O'Fallon, Inc. (4539), Algonquin Houlihan's Restaurant, L.L.C. (0449), Geneva Houlihan's Restaurant, L.L.C. (3156), Hanley Station Houlihan's Restaurant, LLC (4948), Houlihan's Texas Holdings, Inc. (5485), Houlihan's Restaurants of Texas, Inc. (4948), JGIL Mill OP LLC (0741), JGIL Millburn, LLC (6071), JGIL Milburn Op LLC (N/A), JGIL, LLC (5485), JGIL Holding Corp. (N/A), JGIL Omaha, LLC (5485), HOP NJ NY, LLC (1106), HOP Farmingdale LLC (7273), HOP Cherry Hill LLC (5012), HOP Paramus LLC (5154), HOP Lawrenceville LLC (5239), HOP Brick LLC (4416), HOP Secaucus LLC (5946), HOP Heights LLC (6017), HOP Bayonne LLC (7185), HOP Fairfield LLC (8068), HOP Ramsey LLC (8657), HOP Bridgewater LLC (1005), HOP Parsippany LLC (1520), HOP Westbury LLC (2352), HOP Weehawken LLC (2571), HOP New Brunswick LLC (2637), HOP Holmdel LLC (2638), HOP Woodbridge LLC (8965), and Houlihan's of Chesterfield, Inc. (5073). The Debtors' corporate headquarters and the mailing address is 8700 State Line Road, Suite 100, Leawood, Kansas 66206.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.

including the First Day Declaration and Stratton Declaration; and this Court having jurisdiction to consider the Application pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and consideration of the Application being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court being able to issue a final order consistent with Article III of the United States Constitution;<sup>3</sup> and venue of this proceeding and the Application being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been given; and it appearing that no other or further notice of the Application is required; and this Court finding (i) that PJC (a) does not hold an interest adverse to the interests of the estates with respect to the matters on which PJC will be employed; (b) is a “disinterested person” as that term is defined under Bankruptcy Code section 101(14); and that (ii) the Application and the Stratton Declaration are in full compliance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Application is GRANTED, as set forth herein; and it is further

ORDERED that pursuant to Bankruptcy Code sections 327(a) and 328(a), Bankruptcy Rule 2014, and Local Rules 2014-1 and 2016-2, and subject to the terms of this Order, the Debtors are authorized to retain and employ PJC as their investment banker and exclusive agent for the proposed Transaction, effective as of the Petition Date, in accordance with the terms and conditions set forth in the Engagement Letter attached as **Exhibit C** to the Application and incorporated by reference herein, and to pay fees and actual and necessary expenses to PJC on

---

<sup>3</sup> Pursuant to Local Rule 9013-1(f), the Debtors hereby confirm their consent to entry of a final order by this Court in connection with this Application if it is later determine that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

the terms and conditions specified in the Engagement Letter, as modified herein. The language in the Engagement Letter permitting reimbursement for a “reasonable allocation” of expenses is stricken; and it is further

ORDERED that the fees and expenses payable to PJC pursuant to the Engagement Letter shall be subject to review pursuant to the standards set forth in Bankruptcy Code section 328(a) and shall not be subject to the standard of review set forth in Bankruptcy Code section 330, except by the U.S. Trustee, who, for the avoidance of doubt, shall retain all rights to respond or object to PJC’s interim and final applications on all grounds, including, but not limited to, reasonableness pursuant to Bankruptcy Code section 330; and it is further

ORDERED that PJC shall file applications for allowance of compensation and reimbursement of expenses pursuant to and in accordance with the procedures set forth in Bankruptcy Code sections 330 and 331, such Bankruptcy Rules or Local Bankruptcy Rules as may then be applicable, and any other applicable orders and procedures of this Court; *provided, however*, that notwithstanding anything to the contrary in the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, any order of this Court, or any other guideline regarding the submission and approval of fee applications, PJC is excused from complying with the information requirements in Local Rule 2016-2(d) as set forth in the Stratton Declaration and PJC’s professionals shall be required only to keep reasonably detailed summary time records in one-half hour increments, setting forth a description of the services rendered by each professional and the amount of time spent on each date by each such individual in rendering services on behalf of the Debtors; and it is further

ORDERED that the indemnification provisions set forth in the Engagement Letter are approved, subject during the pendency of these cases to the following:

- (a) PJC shall not be entitled to indemnification or reimbursement for services other than the services to be provided under the Engagement Letter, unless such indemnification or reimbursement is approved by the Court;
- (b) Notwithstanding anything to the contrary in the Engagement Letter, the Debtors shall have no obligation to indemnify any person, or reimbursement to any person, for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen from that person's bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct; (ii) for a contractual dispute in which the Debtors allege breach of PJC's contractual obligations under the Engagement Letter unless the Court determines that indemnification, contribution, or reimbursement would be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003); or (iii) for any claim or expense that is settled prior to a judicial determination as to that the exclusions at (i) or (ii) above, but determined by this Court after notice and a hearing, to be a claim or expense for which that person should not receive indemnity or reimbursement under the terms of the Engagement Letter as modified by this Order; and
- (c) If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing the Chapter 11 Cases, PJC believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification and/or reimbursement obligations under the Engagement Letter (as modified by this Order), including, without limitation, the advancement of defense costs, PJC must file an application before this Court, and the Debtors may not pay any such amounts before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses for indemnification or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify PJC; and it is further

ORDERED that notwithstanding any provision in the Engagement Letter to the contrary, the contribution obligations of the Indemnified Persons (as such term is defined in the Engagement Letter) shall not be limited to the aggregate amount of fees actually received by PJC from the Debtors pursuant to the Engagement Letter, this Order, or subsequent orders of this Court; and it is further

ORDERED that to the extent there are any conflicts between this Order and the Application or the Engagement Letter, this Order shall control; and it is further

ORDERED that the terms and conditions of this Order are immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Order; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: December \_\_, 2019  
Wilmington, Delaware

---

THE HONORABLE MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE

# **EXHIBIT B**

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re:

HRI HOLDING CORP., *et al.*<sup>1</sup>

Debtors.

Chapter 11

Case No. 19-12415 (MFW)

(Joint Administration Requested) Jointly Administered

Ref. No. 42

**ORDER (I) AUTHORIZING THE RETENTION AND EMPLOYMENT OF PIPER JAFFRAY & CO. AS THE DEBTORS’ INVESTMENT BANKER AND EXCLUSIVE AGENT FOR THE PROPOSED TRANSACTION, EFFECTIVE AS OF THE PETITION DATE, AND (II) WAIVING CERTAIN INFORMATION REQUIREMENTS PURSUANT TO LOCAL RULE 2016-2**

Upon consideration of the application (the “Application”)<sup>2</sup> of the debtors in the above-captioned affiliated debtors (collectively, the “Debtors”) for the entry of an order (this “Order”), pursuant to Bankruptcy Code sections 327(a) and 328(a), Bankruptcy Rule 2014, and Local Rules 2014-1 and 2016-2, (i) authorizing the retention and employment of Piper Jaffray & Co. (“PJC”) as the Debtors’ investment banker and exclusive agent for the proposed Transaction, effective as of the Petition Date, and (ii) waiving certain information requirements pursuant to Local Rule 2016-2; and upon consideration of the Application and all pleadings related thereto,

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: HRI Holding Corp. (4677), Houlihan’s Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Sam Wilson’s/Kansas, Inc. (5739), Darryl’s of St. Louis County, Inc. (7177), Darryl’s of Overland Park, Inc. (3015), Houlihan’s of Ohio, Inc. (6410), HRI O’Fallon, Inc. (4539), Algonquin Houlihan’s Restaurant, L.L.C. (0449), Geneva Houlihan’s Restaurant, L.L.C. (3156), Hanley Station Houlihan’s Restaurant, LLC (4948), Houlihan’s Texas Holdings, Inc. (5485), Houlihan’s Restaurants of Texas, Inc. (4948), JGIL Mill OP LLC (0741), JGIL Millburn, LLC (6071), JGIL Milburn Op LLC (N/A), JGIL, LLC (5485), JGIL Holding Corp. (N/A), JGIL Omaha, LLC (5485), HOP NJ NY, LLC (1106), HOP Farmingdale LLC (7273), HOP Cherry Hill LLC (5012), HO P Paramus LLC (5154), HOP Lawrenceville LLC (5239), HOP Brick LLC (4416), HOP Secaucus LLC (5946), HOP Heights LLC (6017), HOP Bayonne LLC (7185), HOP Fairfield LLC (8068), HOP Ramsey LLC (8657), HOP Bridgewater LLC (1005), HOP Parsippany LLC (1520), HOP Westbury LLC (2352), HOP Weehawken LLC (2571), HOP New Brunswick LLC (2637), HOP Holmdel LLC (2638), HOP Woodbridge LLC (8965), and Houlihan’s of Chesterfield, Inc. (5073). The Debtors’ corporate headquarters and the mailing address is 8700 State Line Road, Suite 100, Leawood, Kansas 66206.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Application.

including the First Day Declaration and Stratton Declaration; and this Court having jurisdiction to consider the Application pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and consideration of the Application being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court being able to issue a final order consistent with Article III of the United States Constitution;<sup>3</sup> and venue of this proceeding and the Application being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been given; and it appearing that no other or further notice of the Application is required; and this Court finding (i) that PJC (a) does not hold an interest adverse to the interests of the estates with respect to the matters on which PJC will be employed; (b) is a “disinterested person” as that term is defined under Bankruptcy Code section 101(14); and that (ii) the Application and the Stratton Declaration are in full compliance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Application is GRANTED, as set forth herein; and it is further

ORDERED that pursuant to Bankruptcy Code sections 327(a) and 328(a), Bankruptcy Rule 2014, and Local Rules 2014-1 and 2016-2, and subject to the terms of this Order, the Debtors are authorized to retain and employ PJC as their investment banker and exclusive agent for the proposed Transaction, effective as of the Petition Date, in accordance with the terms and conditions set forth in the Engagement Letter attached as **Exhibit C** to the Application and incorporated by reference herein, and to pay fees and ~~reasonable~~ actual and necessary expenses to PJC on the terms and conditions specified in the Engagement Letter, as modified herein. The

<sup>3</sup> Pursuant to Local Rule 9013-1(f), the Debtors hereby confirm their consent to entry of a final order by this Court in connection with this Application if it is later determine that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

language in the Engagement Letter permitting reimbursement for a “reasonable allocation” of expenses is stricken; and it is further

ORDERED that the fees and expenses payable to PJC pursuant to the Engagement Letter shall be subject to review pursuant to the standards set forth in Bankruptcy Code section 328(a) and shall not be subject to the standard of review set forth in Bankruptcy Code section 330, except by the U.S. Trustee, who, for the avoidance of doubt, shall retain all rights to respond or object to PJC’s interim and final applications on all grounds, including, but not limited to, reasonableness pursuant to Bankruptcy Code section 330; and it is further

ORDERED that PJC shall file applications for allowance of compensation and reimbursement of expenses pursuant to and in accordance with the procedures set forth in Bankruptcy Code sections 330 and 331, such Bankruptcy Rules or Local Bankruptcy Rules as may then be applicable, and any other applicable orders and procedures of this Court; *provided, however,* that notwithstanding anything to the contrary in the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, any order of this Court, or any other guideline regarding the submission and approval of fee applications, PJC is excused from complying with the information requirements in Local Rule 2016-2(d) as set forth in the Stratton Declaration and PJC’s professionals shall be required only to keep reasonably detailed summary time records in one-half hour increments, setting forth a description of the services rendered by each professional and the amount of time spent on each date by each such individual in rendering services on behalf of the Debtors; and it is further

ORDERED that the indemnification provisions set forth in the Engagement Letter are approved, subject during the pendency of these cases to the following:

- (a) PJC shall not be entitled to indemnification or reimbursement for services other than the services to be provided under the Engagement Letter, unless such indemnification or reimbursement is approved by the Court;
- (b) Notwithstanding anything to the contrary in the Engagement Letter, the Debtors shall have no obligation to indemnify any person, or reimbursement to any person, for any claim or expense that is either (i) judicially determined (the determination having become final) to have arisen ~~primarily~~ from that person's bad faith, self-dealing, breach of fiduciary duty (if any), gross negligence or willful misconduct; (ii) for a contractual dispute in which the Debtors allege breach of PJC's contractual obligations under the Engagement Letter unless the Court determines that indemnification, contribution, or reimbursement would be permissible pursuant to *In re United Artists Theatre Co.*, 315 F.3d 217 (3d Cir. 2003); or (iii) for any claim or expense that is settled prior to a judicial determination as to that the exclusions at (i) or (ii) above, but determined by this Court after notice and a hearing, to be a claim or expense for which that person should not receive indemnity or reimbursement under the terms of the Engagement Letter as modified by this Order; and
- (c) If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal) and (ii) the entry of an order closing the Chapter 11 Cases, PJC believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification and/or reimbursement obligations under the Engagement Letter (as modified by this Order), including, without limitation, the advancement of defense costs, PJC must file an application before this Court, and the Debtors may not pay any such amounts before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses for indemnification or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify PJC; and it is further

ORDERED that notwithstanding any provision in the Engagement Letter to the contrary, the contribution obligations of the Indemnified Persons (as such term is defined in the Engagement Letter) shall not be limited to the aggregate amount of fees actually received by PJC from the Debtors pursuant to the Engagement Letter, this Order, or subsequent orders of this Court; and it is further

ORDERED that to the extent there are any conflicts between this Order and the Application or the Engagement Letter, this Order shall control; and it is further

ORDERED that the terms and conditions of this Order are immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Order; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: \_\_\_\_\_December\_\_\_\_, 2019  
Wilmington, Delaware

HONORABLE MARY F. WALRATH  
BANKRUPTCY JUDGE

\_\_\_\_\_  
~~The Honorable Mary F. Walrath~~THE  
~~United States Bankruptcy Judge~~UNITED STATES